



## MEMORANDUM

To: Members of the House Tax Policy Committee

From: Dan Papineau, Michigan Chamber of Commerce

Date: June 6, 2018

Subject: MI Chamber Supports Strengthening Quality in Property Tax Assessments

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When it comes to our state's tax climate, Michigan has made tremendous strides. There is no question that Michigan has moved to a more fair and efficient tax system. Michigan's tax climate ranking has moved from 40<sup>th</sup> to a top 10 state. This progress must continue, and we must not get complacent. One area still needing improvement is property taxes.

Property taxes are very unique and based on a property's assessed value. Assessed value is determined by a property's market value, set by an assessor. This is very different than basing a tax on a fixed value transaction. Assessments, therefore, are somewhat subjective.

Michigan's property tax system is disjointed, inconsistent and inefficient. Furthermore, it is unlike any other state in the nation. With over 1500 taxing jurisdictions, it is not surprising that issues of uniformity arise. In a subjective system, one can see how problems develop. Compounding these factors is an over all lack of quality across the entire system.

Treasurer Khouri is diving into this situation and looking for ways to improve the quality of property tax assessments across Michigan; and for that, the Michigan Chamber commends him. The Treasurer has recognized the problem and taken action to work towards resolving it. We should all constantly be looking to promote better quality across government on every level. The Treasurer is doing just that for a widely-accepted deficiency in our state's tax system.

The Michigan Chamber supports Treasurer Khouri's initiative in concept to increase quality in property tax assessments. The leadership displayed by the Treasurer in this area is immensely appreciated. Treasurer Khouri has consistently been an advocate for positive change and fair tax administration. We also thank Representative Lower for his willingness to be a partner in this endeavor.

To discuss our position further, please contact me at [dpapineau@michamber.com](mailto:dpapineau@michamber.com).

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